

**March 19, 2012**

## ***Natural Gas Trends***

### **Highlights**

#### **APRIL 17<sup>TH</sup> WORKSHOP TO FOCUS ON INTERDEPENDENCIES BETWEEN GAS & ELECTRIC SECTORS**

Last November, the Railroad Commission of Texas and the Public Utility Commission of Texas co-hosted a ***Winter Storm Functional Exercise*** which provided an opportunity for natural gas companies, electric power companies, and government agencies to test their emergency mitigation and response plans. The exercise resulted in a recognition of benefits to be gained by widespread cross-pollination of industry expertise, particularly expertise about critical interdependencies between these two industry sectors.

To that end, the two Commissions are co-sponsoring on Tuesday, April 17<sup>th</sup> a workshop that will focus on **gas and electric company operations and interdependencies**. Participants will be those who are on the front lines during an energy emergency, primarily, operations personnel employed by utility companies. Seating is limited; however, every interested person will be able to view the workshop via a live broadcast over the internet at [www.TexasAdmin.com](http://www.TexasAdmin.com). Additionally, a recorded version of the workshop will be available on both Commission's websites after the workshop concludes (at [www.rrc.state.tx.us](http://www.rrc.state.tx.us) and [www.puc.state.tx.us](http://www.puc.state.tx.us)).

The morning session will feature presenters from the electric industry. The afternoon session will feature presenters from natural gas industry segments, including a **gas producer, a midstream processor, a gas pipeline transportation company, and a gas distribution company**. The workshop will be held in Austin, Texas at the William B. Travis Building, 1701 North Congress Avenue, Room 1-111, from 8:30am to about 4:00pm. Requests to reserve seats should be sent to: [gasandelectric@rrc.state.tx.us](mailto:gasandelectric@rrc.state.tx.us).

### **Data**

- April Natural Gas Futures Contract (as of March 16), NYMEX at Henry Hub closed at \$2.326 per million British thermal units (MMBtu)
- April Light, Sweet Crude Oil Futures Contract (as of March 16), NYMEX at Cushing closed at \$107.06 per U.S. oil barrel (Bbl.) or approximately \$17.05 per MMBtu

#### **Last week: Texas, U.S. HDD lower than norm**

For the week beginning 3/11/12 and ending 3/17/12, heating degree days (HDD) were lower than normal for Texas and the U.S. For the heating season (7/1/11 to 6/30/12), cumulative heating degree days were 19% below normal for Texas and 16% below normal for the U.S.

Source: [www.cpc.ncep.noaa.gov](http://www.cpc.ncep.noaa.gov)

HEATING DEGREE DAYS (HDD)				
City or Region	Total HDD for week ending 3/17/2012	*Week HDD + / - from normal	Year-to-date total HDD	* YTD % +/- from normal
Amarillo	24	-102	3254	-13%
Austin	5	-33	1445	-7%
DFW	8	-51	1740	-21%
El Paso	40	-24	2168	-8%
Houston	1	-36	950	-34%
SAT	4	-30	1114	-25%
Texas**	13	-39	1498	-19%
U.S.**	65	-73	3174	-16%

\* A minus (-) value is warmer than normal; a plus (+) value is cooler than normal. NOAA uses 65° Fahrenheit as the 'normal' basis from which HDD are calculated.

\*\* State and U.S. degree days are population-weighted by NOAA.

#### **Last week: U.S. natural gas storage at 2,369 Bcf**

For the week ending 3/9/12, U.S. working gas in storage declined from 2,433 to 2,369 Bcf, compared to 1,634 Bcf in storage a year ago and compared to an average of 1,562 Bcf in storage during the 5-year period from 2007 to 2011. Working gas in storage in the producing region (which includes Texas) declined from 967 to 965 Bcf.

Source: [www.eia.doe.gov](http://www.eia.doe.gov)

U.S. WORKING GAS IN STORAGE				
Region	Week ending 3/9/12	Prior week	One-week change	Current Δ from 5-YR Average (%)
East	1,059	1,114	-55	+ 47.3%
West	345	352	-7	+ 44.4%
Producing	965	967	-2	+ 59.8%
Lower 48 Total	2,369	2,433	-64	+ 51.7%

Lower 48 states, underground storage, units in billion cubic feet (Bcf)

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### Last week: U.S. gas rig count down 7 to 663

The gas rig count for the U.S. was down 7 when compared to the prior week and down 212 when compared to 12 months ago. The U.S. total rig count was up 11 from the prior week, and up 264 when compared to 12 months ago.

Source: Baker Hughes

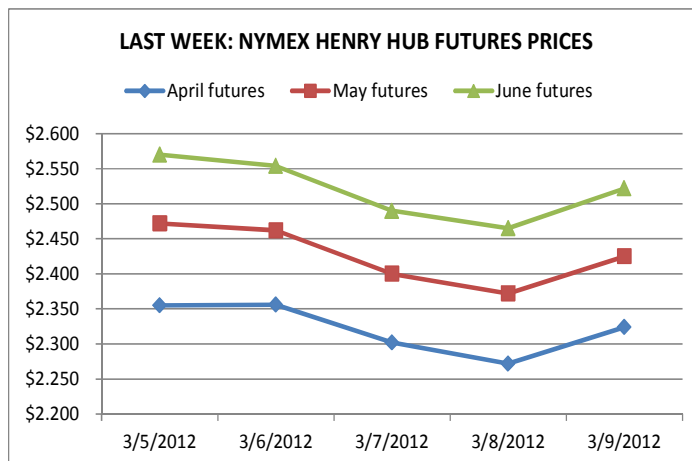
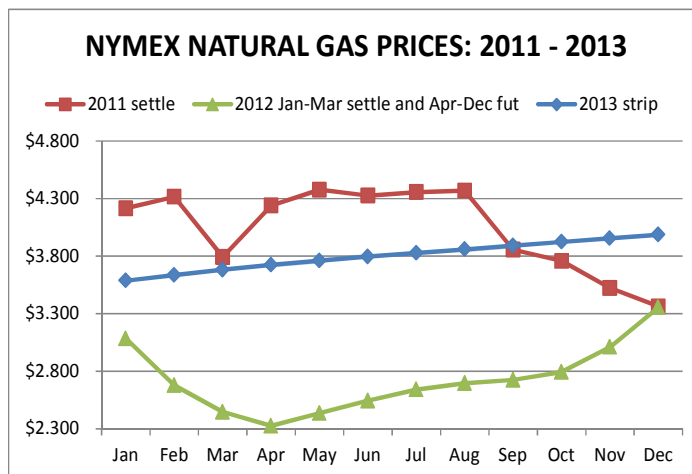
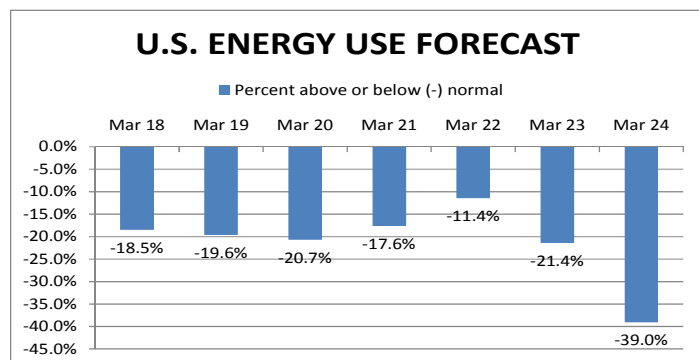
BAKER HUGHES ROTARY RIG COUNT				
	As of 3/16/12	+/- prior week	Year ago	+/- year ago
Texas	926	-3	754	+172
U.S. gas	663	-7	875	-212
U.S. oil	1317	+21	839	+478
U.S. total	1984	+11	1720	+264
Canada	517	-138	586	-69

Numbers are excerpted and not meant to be totaled

### This week: U.S. energy use lower than normal

U.S. energy use is forecasted to be lower than normal, according to the Dominion Energy Index, as shown below. Dominion forecasts total U.S. residential energy usage, a component of which is natural gas.

Source: Dominion Energy Index



### NATURAL GAS PRICE SUMMARY AS OF 3/16/2012

	This Week	+/- Last Week	+/- Last Year	12-Month Strip Avg.
US April futures				
NYMEX	\$2.326	\$0.002	-\$1.914	\$2.916

*Lynne LeMon,  
a natural gas analyst  
in the Market Oversight Section  
of the Gas Services Division,  
is editor of  
Natural Gas Trends.*

*Comments on this publication  
may be directed to Ms. LeMon  
at 512-475-1958 or  
lynne.lemon@rrc.state.tx.us*